UNITED STATES ATTORNEY'S OFFICE
Southern District of New York
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SDNY CORPORATE ENFORCEMENT AND VOLUNTARY SELF-DISCLOSURE PROGRAM FOR FINANCIAL CRIMES

The United States Attorney's Office for the Southern District of New York (the "Office") maintains a voluntary corporate self-disclosure program that has demonstrated measurable success in securing earlier detection and cessation of misconduct and meaningful remedies for victims, employees, and investors. Following engagement with corporations, attorneys, and investors, the Office has refined and strengthened its self-reporting program.

The Office has adopted the following updated voluntary corporate self-disclosure program for illegal activity involving fraud and financial misconduct affecting market integrity. Consistent with the Department of Justice's Corporate Enforcement and Voluntary Self-Disclosure Policy dated March 10, 2026 ("CEP"), the purpose of this program is to encourage early voluntary self-disclosure of criminal conduct, to promote timely and effective enforcement of criminal laws, to encourage repayment of victims, and to provide companies with greater certainty when reporting potential financial misconduct to federal prosecutors.

Under this program, eligible companies that self-report qualifying illegal activity, cooperate fully, commit to ongoing reporting of criminal conduct for three years, and remediate harm caused by misconduct will have a clear, agreed-upon path to a declination. Specifically, shortly after a company makes a self-report, the Office will issue a conditional declination letter stating its intent to decline prosecution against the company, conditioned on the company's cooperation with the Office's investigation and satisfaction of all eligibility requirements, including full restitution of victim losses. Upon a company's fulfillment of its cooperation and remediation obligations and payment of restitution, the Office will issue a final declination notice, concluding the matter without criminal charges.

This program aligns with and encourages responsible corporate behavior, including prompt self-disclosure, meaningful cooperation with law enforcement, and good-faith efforts to resolve and rectify wrongdoing. Corporate leaders, as fiduciaries, have a fundamental duty to act with integrity and transparency when misconduct is discovered. Self-reporting demonstrates good corporate governance and protects shareholders and other stakeholders by addressing legal and other risks decisively rather than allowing them to fester.

In contrast, companies that learn of illegal activity but choose not to self-report face significant risk, including the risks of placing individual interests over fiduciary obligations, the interests of victims, and the public interest generally. The Office will treat decisions not to self-report as weighing heavily against any future declination request. When a company does not self-report illegal activity, and the Office later determines that the company's directors, officers, or

employees are criminally liable, there will be a presumption that an appropriate resolution will take the form of a guilty plea, a deferred prosecution agreement, or a non-prosecution agreement with a statement of facts, and the payment of restitution, forfeiture, and a fine.

This document outlines the terms, conditions, and timing of corporate resolutions by the Office under this program. The Office also recognizes that companies and their counsel may have questions about this program and its implementation, and the Office encourages counsel to contact the Office if such questions arise.

Declination for Voluntary Self-Reporting, Cooperation, and Remediation

Consistent with the CEP, this Office will decline to prosecute an eligible company for criminal conduct when the following factors are met: (1) the illegal activity is eligible to be self-reported under the program; (2) the company timely and voluntarily self-discloses the illegal activity to the Office; (3) the company commits to full cooperation and thereafter fully cooperates with the Office's investigation (including with the efforts of the Office to seek accountability for personal wrongdoing); and (4) the company commits to remediating the illegal activity and thereafter fully remediates the illegal activity, including by making restitution to victims. The eligibility criteria for a declination, as well as the terms, conditions, and timing of such a declination, are as follows.

A. Eligibility Criteria

The Office uses the following criteria for a self-reporting company to be eligible for a declination under this program:

1. Categories of Illegal Activity Eligible for Self-Reporting: To be eligible for a declination by this Office under this program, the conduct to be reported must involve: (a) fraud by a company or corporate entity, or an employee, officer, director, or agent of such an entity; (b) fraud in connection with a securities, commodities, or digital asset offering, or the trading or brokering of securities, commodities, or digital assets; (c) false statements or fraud upon an auditor or federal regulator of financial markets; or (d) other willful violations of the Securities Act of 1933, Securities Exchange Act of 1934, the Commodity Exchange Act, Investment Advisers Act of 1940, and Investment Company Act of 1940 that undermine the integrity of financial markets or harm customers, competitors, or market participants. As used here, the term "fraud" is used expansively to include all manner of intentionally deceptive conduct, including false statements, forgery, embezzlement, misappropriation, trade secret theft, insider trading, spoofing, and market manipulation.

2. Timely and Voluntary Self-Disclosure: To be eligible, upon discovering illegal activity, a company must promptly report it to this Office, prior to receiving a grand jury subpoena or document request from a law enforcement agency or regulator, such as the Department of Justice, the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state attorney general. The disclosure must be made before the company learns of the existence of a government investigation. The following will *not* disqualify a company from self-reporting to the Office and receiving a declination under this program: (a) knowledge of a whistleblower

submission to the company or to a government agency; (b) press reporting regarding the illegal activity, provided that there is no public reporting of a government investigation into the illegal activity; or (c) a prior self-report to another agency. The disclosure must be made independently of any preexisting obligation to report to the Department of Justice. The Office will deem timely an initial preliminary disclosure made in good faith followed by a more detailed disclosure after additional internal investigation has been completed. Delay in making a disclosure, especially where strategic or self-serving, however, may disqualify a company under this program even if the company has not completed its own investigation of the circumstances. The disclosure must be substantive and specific, including all known facts about the nature of the misconduct, the individuals involved, and any affected parties. The disclosure must be updated promptly as new information becomes available.

3. Full Cooperation: The company must commit to providing timely, truthful, continuing, and full cooperation to be eligible for a declination and must provide such cooperation to obtain a final declination agreement. Such cooperation includes, but is not limited to (a) timely, truthfully, and accurately disclosing all relevant, non-privileged information known to the company relating to the illegal activity; (b) identifying individuals involved in or responsible for the illegal activity, as well as witnesses who, to the knowledge of the company, may have material information regarding the matters under investigation; (c) sharing the non-privileged factual results of internal investigations, including attribution of facts to specific individuals where feasible; (d) providing promptly all relevant documents, information, or other materials in its possession, custody, or control, wherever located, including documents located abroad or in foreign languages, and making all efforts to address and mitigate barriers such as data privacy laws and blocking statutes; (e) specifically identifying those materials that bear materially on or are particularly probative of individual culpability or the illegal activity at issue; (f) subject to individuals' Fifth Amendment rights, using the company's best efforts to make available for interviews or testimony present or former officers, directors, employees, agents, and consultants of the company located in the United States and overseas, including but not limited to sworn testimony before a federal grand jury or in federal trials; (g) using its best efforts to ensure that employees, directors, officers, and agents of the company who provide information to the Office relevant to the illegal activity respond completely, candidly, and truthfully to all questions asked in interviews and grand jury appearances and at trial; (h) using its best efforts to ensure that employees, directors, officers, and agents of the company who provide information to the Office relevant to the illegal activity make no attempt to falsely protect or falsely implicate any person or entity; (i) using its best efforts to ensure that witness interviews and other investigative steps that the company takes as part of its internal investigation do not interfere with the Office's investigation after the company self-reports to the Office, including by conferring with the Office about deferring certain interviews or investigative steps until after the Office has had an opportunity to conduct aspects of its investigation; (j) preserving all records and communications across all platforms, including non-email and ephemeral messaging applications for all relevant records custodians; (k) not committing, participating in, or attempting to commit or participate in any additional crime in violation of Titles 15 and 18 of the United States Code, including any acts of perjury or subornation of perjury (18 U.S.C. §§ 1621-22), making a false statement or declaration (18 U.S.C. §§ 1001, 1623), obstruction of justice (18 U.S.C. §§ 1503 et seq.), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; and (l) consenting to any and all disclosures to other federal governmental authorities of such materials as this Office, in its sole discretion, shall deem

appropriate. Additionally, for a period of three years measured from the date of the issuance of a conditional declination, the company will bring to the Office's attention any criminal conduct by the company or any of its employees relating to fraud as defined in paragraph A(1).[1]

4. Remediation: When a company reports illegal activity committed by the company's agents, or for the company's benefit, the company must commit to remediate the harm caused by the illegal activity before it can receive a conditional declination letter and must reasonably remediate the harm before it can obtain a final declination commitment. Such remediation efforts may include but are not limited to implementing changes to the company's compliance program, and suspending, terminating, or disciplining any employee, officer, director, agent, customer, or investor knowingly and directly involved in the misconduct.

5. Prompt Restitution to Injured Parties: When a company reports illegal activity committed by the company's agents, or for the company's benefit, the company must commit to make restitution to all injured parties as promptly as practicable and, in any event, before receiving a conditional declination and must make restitution to all injured parties before receiving a final declination. A company's restitution obligation extends to any party or class of parties that qualify as a "victim" and have suffered a loss as defined by federal law relating to restitution. This Office will not require a company to pay restitution to any individuals or entities that have committed misconduct, as determined to the satisfaction of the Office by at least a preponderance of evidence. In the event that a company agrees to compensate injured parties through a resolution with a regulator, including but not limited to the U.S. Securities and Exchange Commission, or the U.S. Commodity Futures Trading Commission, or through the settlement of civil litigation, arbitration, or mediation, payments made pursuant to such a resolution shall be credited against any restitution obligation that a company has to injured parties.

6. No Aggravating Circumstances: The existence of aggravating circumstances will render a company ineligible for a conditional declination.[2] The Office will treat any nexus to the following types of conduct as a disqualifying aggravating circumstance related to the nature and seriousness of the offense: terrorism, sanctions evasion, export control evasion, foreign corruption, sex trafficking, human trafficking and smuggling, international drug cartels, slavery, forced labor, or the knowing or reckless financing of these activities or laundering of funds in support of these activities. Under this program, in exercising its discretion, the Office will not otherwise treat the seriousness of the offense, the pervasiveness of the misconduct within the company, the severity

[1] The company's obligation to report such criminal conduct will not disqualify it from receiving a declination or non-prosecution agreement following future self-reporting. The Office will evaluate appropriate resolutions of subsequent self-reported misconduct on a case-by-case basis, and will take in to account the company's successful participation in the Program. A company's good faith reporting of additional criminal conduct as part of its ongoing cooperation obligation will not cause the Office to rescind the conditional declination or imperil the final declination.

[2] Even where the conduct does not qualify for a conditional declination under this Program's eligibility criteria, the Office encourages companies to self-report; such disclosures will be received and evaluated under the Department of Justice's March 10, 2026 CEP, and companies that cooperate fully and remediate harm remain eligible for a declination or other favorable resolution.

of harm caused by the misconduct, past criminal adjudications, or the involvement of senior leaders as a disqualifying circumstance.

B. Terms, Conditions, and Timing

Self-reporting companies eligible for a declination will receive the following:

1. Declination of Prosecution: The Office will decline to bring any criminal prosecution against the company, or any of its direct or indirect affiliates, subsidiaries, or joint ventures, for acts or offenses it committed in furtherance of the illegal activity. While the declination letter cannot bind any state, local, or foreign prosecuting authority, or any other federal authority including regulators, the Office will bring to the attention of those authorities the company's self-reporting and the nature and quality of the company's cooperation and remediation. The declination letter will not provide any form of protection from prosecution for individuals, even if those individuals are employed by or otherwise affiliated with the company.

2. Restitution Obligation, Not Financial Penalties: The Office will not, in its discretion, seek or require payment of any form of financial penalty in the form of a criminal fine or forfeiture, provided the company makes reasonable best efforts to provide prompt and full restitution to all injured parties, as described above.

3. No Monitors: A company will not be required to employ or be supervised by a monitor as part of any resolution with the Office.

4. Prompt Conditional Declination: Promptly upon a determination by the Office that a company is eligible for a declination pursuant to this program, the company will be granted a conditional declination. The conditional declination letter will provide that the Office is declining to prosecute the company for the illegal activity provided it satisfies the conditions set forth in the letter, including by successfully cooperating with the Office. Qualifying companies that self-report can expect such a conditional declination letter within two to three weeks of making a self-report, giving the company, its management, and its shareholders clarity as to the outcome of the investigation at the outset, long before a company would typically have visibility into the likely resolution. After completing its cooperation and remediation, thereby confirming its eligibility for a declination, the company will be given a final notice of declination. The Office's model conditional declination letter and final notice of declination letter are available on the Office's website.

5. Notification to the Office of the Deputy Attorney General: When the Office issues a declination under this program, the Office will notify the Office of the Deputy Attorney General to ensure consistent treatment of the reporting company across the Department of Justice.

6. Publication of Declination: In the absence of significant countervailing victim, public, or law enforcement interest, the Office will publish the conditional declination at the time the Office initiates criminal charges relating to the reported conduct. With notice to the Office, a company may also choose to publicly disclose a declination on its own initiative, including as required by applicable federal securities laws or state blue sky laws.

Resolutions in Other Cases

If a company elects not to self-report illegal activity, does not report conduct prior to learning of a government investigation, does not fully cooperate or remediate, or is otherwise ineligible under this program, the Office will determine, in its discretion, the appropriate resolution including form, term length, compliance obligations, and monetary penalty.

For companies that did not self-report or make an attempt to do so, there will be a presumption that a guilty plea, deferred prosecution with a monetary penalty, or non-prosecution with a statement of facts and monetary penalty would be appropriate to address the company's conduct. Where a company has committed a violation of federal law and has not self-reported or made an attempt to do so, there will also be a strong presumption against the issuance of a declination.

(Effective: August 31, 2026)